



Property Casualty Insurers
Association of America

Shaping the Future of American Insurance

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August 15, 2012

The Honorable Peter J. Lund
Chairman
Michigan House Insurance Committee
124 North Capitol Avenue
P.O. Box 30014
Lansing, MI 48909-7514

Re: Senate Bill 306

Dear Chairman Lund:

The Property Casualty Insurers Association of America (PCI) represents more than 1,000 members who account for more than 41 percent of the Michigan property casualty insurance market and respectfully submit the following comments on Senate Bill 306, concerning automobile glass repair/replacement and third-party billing.

PCI strongly opposes SB 306. The legislation would do far more to harm consumers, insurers, and legitimate glass repair operators while doing nothing to protect consumers from those that "harvest" glass repair business via aggressive solicitation at homes, gas stations, car washes, etc.

With respect to SB 306:

- Consumers should always have the right to choose the repair facility to repair their vehicle, but what good is that right if the law limits those choices or withholds information on the choices available?;
- The bill provides that "if an insured states a preference" for a repair facility "no other facility will be suggested." This provision is vague and seems to prevent the insured from receiving information about repair options or benefits available;
- The bill would destroy the many consumer benefits of a "preferred repair network" for policyholders – insurers can offer the consumer a referral to a quality repair provider where there are pre-agreed standards on repairs and charges, and insurers have the opportunity to exercise quality control to make sure that promises are kept;
- The bill would require that repair networks be open to any willing provider, which defeats the purpose of the program creating a random rotation system that de-incentivizes anyone from being on it at all, let alone meet any standards for quality and service that a consumer or insurer would expect; and

- The Michigan market is not a monopoly and any of the large national players need independent glass shops as part of their networks but free market competitive forces should guide a company's success or failure, not government.

Given Michigan's glass repair/replacement market is not in crisis with ample competition and consumer choice, PCI urges a "no" vote on SB 306.

I appreciate your consideration of our perspective. Please contact me directly at 847-553-3678 or via email at jeffrey.junkas@pciaa.net with any questions and I look forward to working with you on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Junkas", written in a cursive style.

Jeffrey Junkas

cc: George Carr